

**FALL ACADEMIC YEAR 2021 – 2022**

Program	Year	Semester	Paper
Diploma in Logistics Management	1	1	Final

<b>MODULE NAME:</b>	<b>Introduction to Shipping</b>
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<b>MODULE CODE:</b>	<b>PSHI I.I</b>	<b>EXAM DATE:</b>	<b>13/01/2022</b>
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<b>TEACHER'S NAME:</b>	<b>Mr. Khalid AlKalbani</b>	<b>DURATION:</b>	<b>2 hours</b>
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Questions to be answered on:	Allowed requirements	Number of pages
Space provided on the question paper	Pen, Pencil & Calculator	(Incl. Cover Page):8

**Points of Attention:**

- For each question, the maximum earned points are mentioned between brackets at the end of each question.
- Write very clearly! Answers that are not readable are not marked and don't get points!
- Make sure your answers are written to the point.
- All answers should be written **in English**.
- Write all the answers **in blue or black pen only (No pencil)**.
- Answer written in **Pencil** will not be marked.
- Use the **pencil** only for **diagrams & graphs & drawing**.
- Show all the calculation steps in the given space.
- When finished submitting the question paper, together with the answer scripts and the signed cover page to the invigilator.
- Any cheating/copying may result in an instant failing of the examination.

**FINAL MARKS**

<b>STUDENT NAME:</b>	
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<b>STUDENT ID:</b>	
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	<b>44 MARKS</b>

Number of answer scripts: .....

Invigilator: .....

Student's signature: .....

Time of receipt: .....

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**QUESTION 1****Total (40 marks)**

1. Transport has become a worldwide intermodal activity. Large investments in means of transport, ports and infrastructure have made it possible for goods to be delivered in the correct form anywhere in the world and at the agreed time. Transport shipping is the blood circulation of our society in which carriage by sea plays an important role. (*March, 2016*)
- a. How the development of infrastructure of any country could reflect positively in the shipping industry of any country?

(3 marks)

- b. In your opinion, what are the most important factors that are considered by shipping companies in selecting a port for their operations?

(3 marks)

2. THE Alliance has revealed its plans for operations scheduled to start from April 2017, detailing the launch of 31 services and the deployment of more than 240 modern containerships on global routes.

The members Hapag-Lloyd, K Line, MOL, NYK and Yang Ming said in a joint statement that the comprehensive network of 31 services would connect more than 75 major ports throughout Asia, North Europe, the Mediterranean, North America, Canada, Mexico, Central America, the Caribbean, Indian Sub-Continent and the Middle East.

THE Alliance plans to deploy a fleet of more than 240 modern ships in the Asia/Europe, North Atlantic and transpacific trade lanes including the Middle East and the Arabian Gulf/Red Sea.

(*Splash24/7, 2016*)

What are the purposes of these alliances between the shipping liners? (3 marks)

3. From history books we know the stories about trade expeditions all over the world, to known and unknown places, for years on end, and under extremely difficult circumstances. Even when maritime traffic had become more regulated, there were still quite some factors that influenced the closing of commercial transactions.

What are the factors that should be always kept in mind whenever traded goods had to be shipped by sea? Elaborate on these factors. (4 marks)

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4. Since the commercial practices differ from country to country, the interpretation of the delivery conditions may differ as well. That is why the International Chamber of Commerce (ICC) in Paris has drafted rules for similar interpretation of delivery conditions among commercial partners, the Incoterms.

Discuss the importance of Incoterms in international Trade?

(3 marks)

5. As a shipper to export a container is not just click a button and the box will arrive to final destination. You have to follow certain procedures to ensure the container arrives to the customer on the right time at the right place and the right cost.

Discuss the booking procedures to reserve a space for a container on board of a ship?  
(3 marks)

6. The ship's agent has always acted as a mediator whenever requirements of the shippers and the possibilities of the shipping companies have to be geared.

a) Identify at least three services that are provided by the shipping agency. (3 marks)

7. All parties involved in the transport from A to Z need information to do their work satisfactorily and to meet the requirements of the shipper/ the customer. Due to the huge tonnages shipped worldwide in combination with the increasing demand for information of the parties involved, the need and necessity has grown to control these data flows.

Elaborate on the above statement, how the accuracy of information could effect on the efficiency of shipping process. (4 marks)

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8. Middle East Distributors in Muscat, Oman has signed an Import Sales Contract with Chicken King, Montreal Canada for a 1 x 20' Reefer Container of frozen chicken pieces. Payment is on the basis of a revocable L/C, 80 days after receipt of confirming documents. The cargo will be shipped from the port of Montreal and term of purchase is FOB Montreal, Canada, Inco Terms 2010.
- a) How many parties are bound by the Sales Contract? Name them. (2 marks)
- b) Which party will pay the freight? Why? (3 marks)
- c) Name the party who will arrange customs clearance in Canada. (1 mark)
- d) Name the party who will arrange marine transit insurance. (1 mark)
- e) Where will commercial risk in the cargo pass? (2 marks)

9. 2000 bags of cement are being exported from Port of Salalah in Oman to a customer in Durban, South Africa. The weight of each bag is 20kg and the payload of 1 x 20" container is 26 tons (1 ton = 1000kg).

Answer the following questions:

- a) How many containers of 20" do you need to export all the bags of Cement from Salalah to Durban?

(2 marks)

- b) List at least three important types of documents that are needed to transfer the Cement from Salalah to Durban

(3 marks)

**QUESTION 2****Total (4 marks)**

1. What vessels are suitable for the carriage of the below parcels: marks (1 x 4)
- a. 3000 cars from Mexico to Brazil
  - b. 9000 ISO containers from Nhavasheva to Algeciras.
  - c. 350,000 mt of crude oil from Arabian Gulf to Singapore
  - d. 180,000 mt of coal from Indonesia to Vinzula.

**References:**

Held & Associates, Inc. (2016). *The SOLAS Container Weight Verification Requirement*. Retrieved on 15<sup>th</sup> of April 2017 from <http://held-assoc.com/solas/>.

March, A. (2016). *Introduction to Shipping*. London: Institute of Chartered Shipbrokers.

Splash 24/7, (2016). *The alliance formed by Hapag-Lloyd, K Line, MOL, NYK and Yang Ming*. Retrieved on 10 of November 2017 from <http://splash247.com/the-alliance-formed-by-hanjin-hapag-lloyd-kline-mol-nyk-and-yang-ming/>.

World Shipping Council. (2015). *The SOLAS Container Weight Verification Requirement*. Retrieved on 15<sup>th</sup> of April 2017 from [http://www.worldshipping.org/industry-issues/safety/WSC\\_Summarizes\\_the\\_Basic\\_Elements\\_of\\_the\\_SOLAS\\_Container\\_Weight\\_Verification\\_Requirement\\_February\\_2015.pdf](http://www.worldshipping.org/industry-issues/safety/WSC_Summarizes_the_Basic_Elements_of_the_SOLAS_Container_Weight_Verification_Requirement_February_2015.pdf)

**-End of Questions & Good Luck-**